

**BICKNELL TOWN**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2005**

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# Kimball & Roberts

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Honorable Mayor and Town Council  
Bicknell Town  
Bicknell, Utah 84715

We have compiled the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Bicknell Town as of and for the year ended June 30, 2005, which collectively comprise the Town's basic financial statements as listed in the table of contents, in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion, or any other form of assurance, on them.

The management's discussion and analysis and budgetary comparison information, on pages 4 through 14 and 41 through 43, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.



KIMBALL & ROBERTS, P. C.  
Certified Public Accountants

November 1, 2005  
Richfield, Utah

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is used to assist in formatting, for easier reading)

**TOWN OF BICKNELL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Year Ended June 30, 2005**

This discussion of Bicknell Town's financial performance provides an overview of the Town's financial activities for the year ending June 30, 2005. This report is in conjunction with the Town's financial statements.

The purpose of the Town is to provide general services to its residents which includes general government, public safety, highways and streets, culture and recreation.

**Financial Highlights**

- \* The assets of the Town exceeded its liabilities as of the close of the most recent year by \$1,118,726 (net assets). Of this amount, \$299,506 (unrestricted net assets) which may be used to meet its ongoing obligations to citizens and creditors.
- \* The government's total net assets increased by \$7,089. The revenues were less than the adopted budgeted amounts, and expenditures were less than the adopted budgeted amounts in the general fund.
- \* At the close of the current year, the Town's governmental fund reported ending fund balance of \$157,208, an increase of \$9,593 in comparison with the prior year. Approximately 54 percent of this total amount, \$84,208 is available for spending at the government's discretion (unreserved fund balance).
- \* At the end of the current year, unreserved fund balance for the general fund was \$84,208, or 92 percent of total general fund expenditures.
- \* The Town's total debt decreased by \$16,496 during the current year.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private sector business.

The *statement of net assets* presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the Town include general government, public safety, highways and streets, and culture and recreation. The business-type activities of the Town are culinary and irrigation water operations.

Refer to the table of contents for the location of the government-wide financial statements.

## **Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and enterprise funds.

### **Governmental Funds**

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statement, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balance of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditure, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Bicknell Town maintains one individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund,

The Town adopts an annual appropriated budget for its governmental fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with those budgets.

Refer to the table of contents for the location of the basic governmental fund financial statements.

### **Proprietary Funds**

Bicknell Town maintains one proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the culinary and irrigation water operations.

Refer to the table of contents for the location of the basic proprietary fund financial statements.

## Notes To The Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.

### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Town.

### Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Bicknell Town's, assets exceeded liabilities by \$1,118,726 at the close of the most recent fiscal year. By far the largest portion of the Town's net assets (66 percent) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the Town's net assets (8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$299,506) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the year, the Town is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

#### Bicknell Town's Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current and Other Assets	157,208	147,615	228,498	228,836	385,706	376,451
Capital Assets	438,159	473,086	436,040	419,775	874,199	892,861
Total Assets	595,367	620,701	664,538	648,611	1,259,905	1,269,312
Long-Term Liabilities	83,793	87,793	57,386	69,882	141,179	157,675
Other Liabilities	-	-	-	-	-	-
Total Liabilities	83,793	87,793	57,386	69,882	141,179	157,675
Net Assets:						
Invested in Capital Assets						
Net of Related Debt	354,366	385,293	378,654	349,893	733,020	735,186
Restricted	73,000	78,000	13,200	13,200	86,200	91,200
Unrestricted	84,208	69,615	215,298	215,636	299,506	285,251
Total Net Assets	511,574	532,908	607,152	578,729	1,118,726	1,111,637

## Governmental Activities

Governmental activities decreased Bicknell Town's net assets by \$21,334.

### Bicknell Town's Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	8,678	15,751	44,576	43,302	53,254	59,053
Operating Grants	26,286	35,248	-	-	26,286	35,248
Capital Grants	-	-	26,500	-	26,500	-
General Revenues:						
Property Taxes	3,398	3,592	-	-	3,398	3,592
Other Taxes	59,884	45,908	-	-	59,884	45,908
Unrestricted Investment Earnings	3,033	1,885	4,548	2,846	7,581	4,731
<b>Total Revenues</b>	<b>101,279</b>	<b>102,384</b>	<b>75,624</b>	<b>46,148</b>	<b>176,903</b>	<b>148,532</b>
<b>Expenses:</b>						
General Government	38,470	39,397	-	-	38,470	39,397
Public Safety	3,455	3,430	-	-	3,455	3,430
Highways and Streets	69,174	65,642	-	-	69,174	65,642
Culture and Recreation	9,319	9,251	-	-	9,319	9,251
Interest on Long-Term Debt	2,195	2,088	2,912	3,296	5,107	5,384
Culinary and Irrigation Water	-	-	44,289	45,894	44,289	45,894
<b>Total Expenses</b>	<b>122,613</b>	<b>119,808</b>	<b>47,201</b>	<b>49,190</b>	<b>169,814</b>	<b>168,998</b>
<b>(Decrease) in Net Assets Before Transfers</b>	<b>(21,334)</b>	<b>(17,424)</b>	<b>28,423</b>	<b>(3,042)</b>	<b>7,089</b>	<b>(20,466)</b>
<b>Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Increase in Net Assets</b>	<b>(21,334)</b>	<b>(17,424)</b>	<b>28,423</b>	<b>(3,042)</b>	<b>7,089</b>	<b>(20,466)</b>
<b>Net Assets - Beginning</b>	<b>532,908</b>	<b>550,332</b>	<b>578,729</b>	<b>581,771</b>	<b>1,111,637</b>	<b>1,132,103</b>
<b>Net Total Net Assets</b>	<b>511,574</b>	<b>532,908</b>	<b>607,152</b>	<b>578,729</b>	<b>1,118,726</b>	<b>1,111,637</b>

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.



## **Business-Type Activities**

Business-type activities increased the Town's net assets by \$28,423.

- \* The depreciation in the enterprise funds increased \$1,200 from the prior year.

## **Financial Analysis of the Government's Funds**

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental Funds**

The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the year, the Town's governmental fund (general fund) reported ending fund balance of \$157,208 an increase of \$9,593 in comparison with the prior year. Approximately 54 percent of this amount (\$84,208) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to highways and streets for \$73,000.

As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 92 percent of total general fund expenditures, while total fund balance represents 171 percent of that same amount.

### **Proprietary Funds**

The Town's proprietary fund provides the same type of information found in the government-wide financial statements but in more detail.

Unrestricted net assets of the culinary and irrigation water fund at the end of the year was \$215,298. Other factors concerning the finances of these funds has already been addressed in the discussion of the Town's business-type activities.

### **General Fund Budgetary Highlights**

The difference between the beginning and the final budget was \$-0-, however adjustments within the budget were:

- \* General government decreased \$470.
- \* Highways and public improvements increased \$840.
- \* Culture and recreation decreased \$1,000.
- \* Nondepartmental increased \$630.

Actual revenues were less than budgeted revenues by \$11,821 and actual expenditures were less than budgeted expenditures by \$21,414 resulting in a net increase in fund balance of \$9,593.

## Capital Asset and Debt Administration

### Capital Assets

Bicknell Town's investment in capital assets for its governmental activities as of June 30, 2005, was \$438,159 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment and infrastructure, which includes roads.

The total increase in the Town's investment in capital assets for the current year was \$35,954. Major capital asset events during the current year included the following:

- \* Buildings \$35,954 in the business-type fund, the water fund.

#### Bicknell Town's Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	44,530	44,530	-	-	44,530	44,530
Water Shares			3,400	3,400	3,400	3,400
Infrastructure	213,000	239,625	-	-	213,000	239,625
Buildings	159,039	164,066	34,754	-	193,793	164,066
Improvements Other than Buildings	9,000	9,500	397,886	416,375	406,886	425,875
Equipment	12,590	15,365	-	-	12,590	15,365
Total	438,159	473,086	436,040	419,775	874,199	892,861

Additional information on the Town's capital assets can be found in the notes to the financial statements.

### Long -Term Debt

At the end of the current year, the Town had total bonded debt outstanding of \$135,579. The bonds are secured solely by specified revenue sources (i.e. revenue bonds). The Town also had notes payable outstanding at year end of \$5,600.

#### Bicknell Town's Long-Term Debt

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Notes Payable	-	-	5,600	8,000	5,600	8,000
Revenue Bonds	83,793	87,793	51,786	69,882	135,579	157,675
Total Long-Term Debt	83,793	87,793	57,386	77,882	135,579	157,675

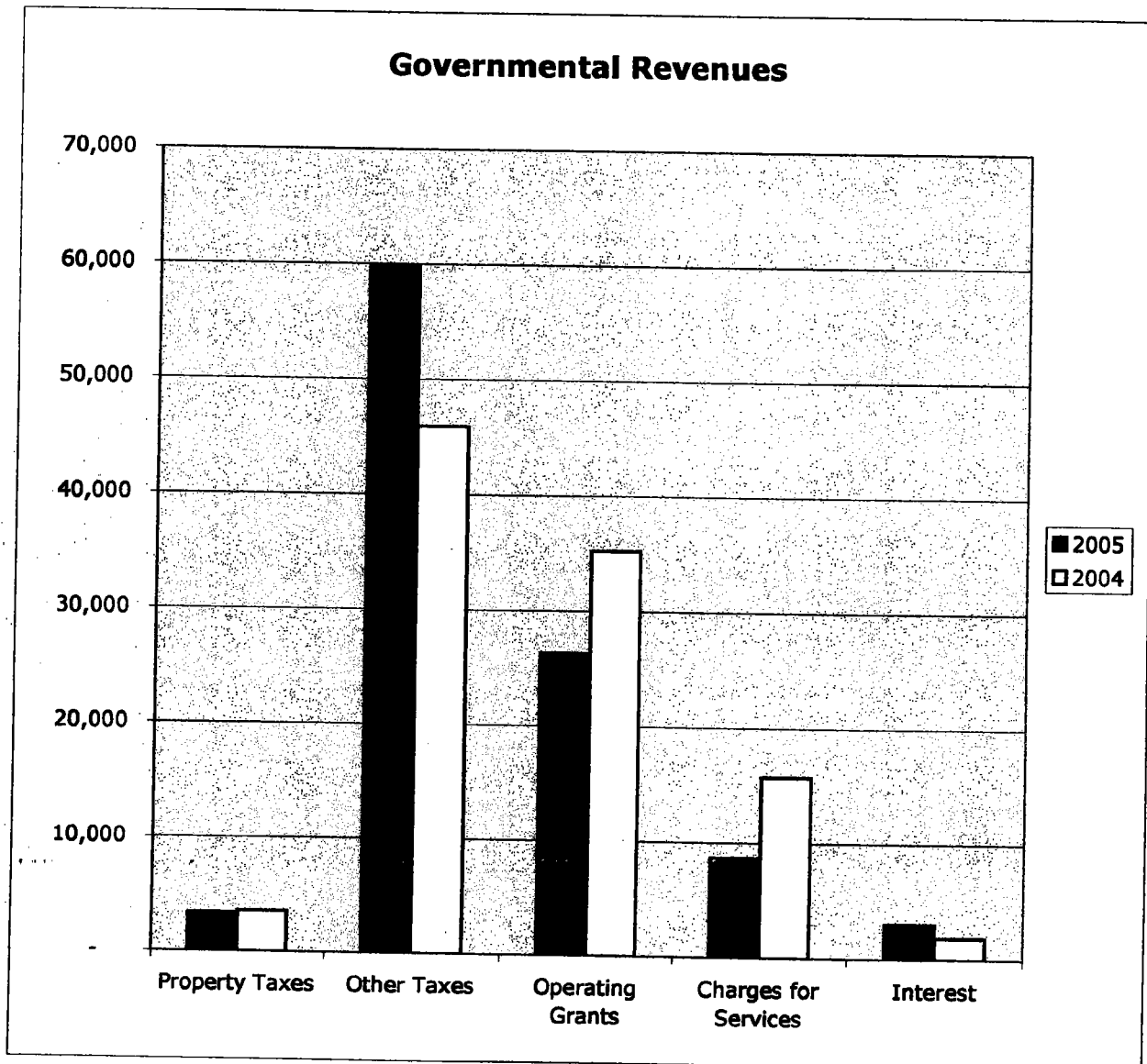
State statutes limit the amount of general obligation debt a governmental entity may issue to 12 percent of its total fair market value of taxable property in the Town. The Town has no general obligation debt. Additional information on Bicknell Town's long-term debt can be found in the notes of the financial statements.

#### **Request for Information**

This financial report is designed to provide a general overview of Bicknell Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Bicknell Town Clerk, P.O. Box 96, Bicknell, Utah, 84715-0096.

**Town of Bicknell  
Governmental Revenues  
For The Fiscal Years Ending June 30, 2005 and 2004**

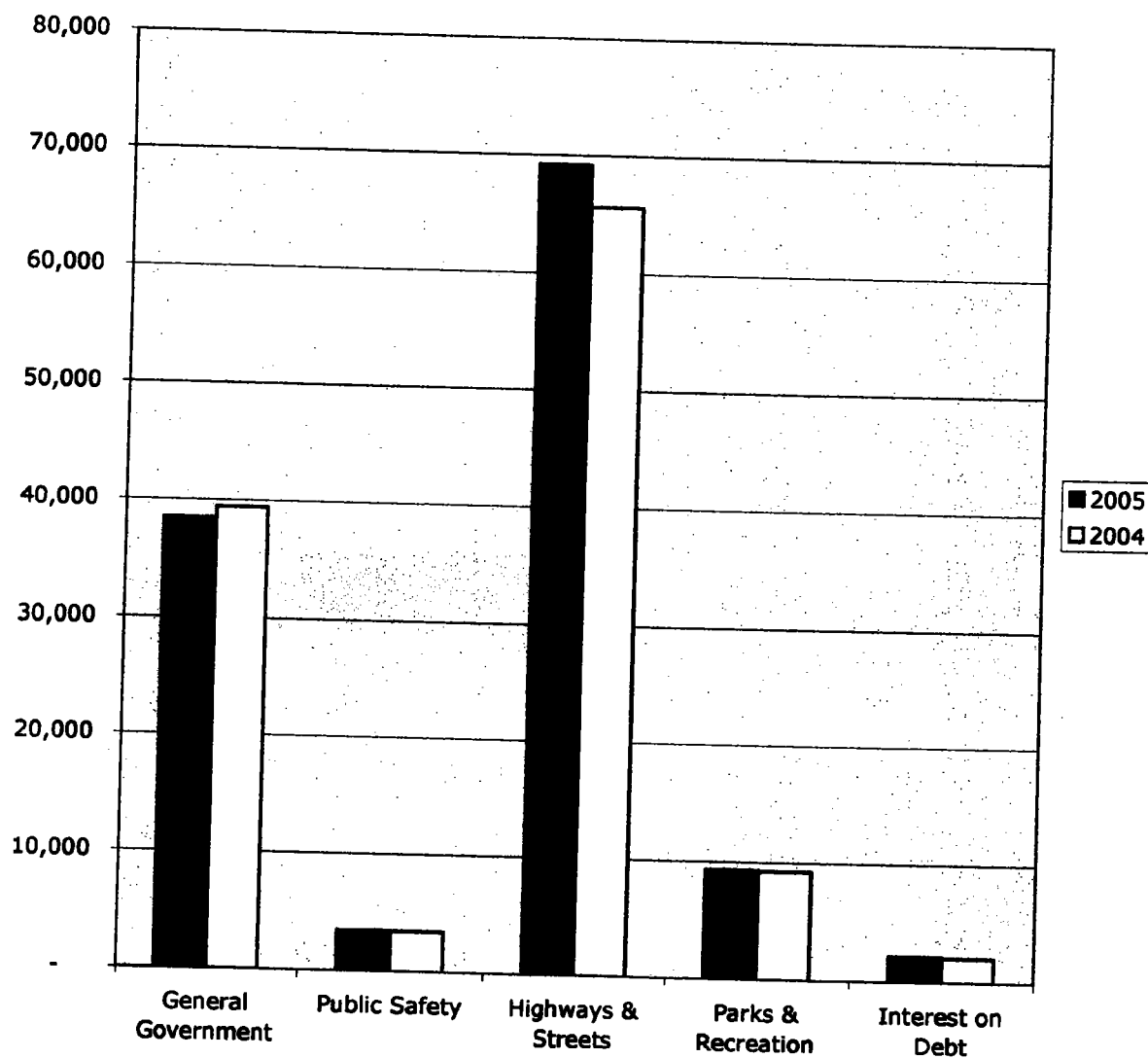
	2005	2004
Property Taxes	3,398	3,592
Other Taxes	59,884	45,908
Operating Grants	26,286	35,248
Charges for Services	8,678	15,751
Interest	3,033	1,885
<b>Total Revenues</b>	<b>101,279</b>	<b>102,384</b>



**Town of Bicknell  
Governmental Expenditures  
For The Fiscal Years Ending June 30, 2005 and 2004**

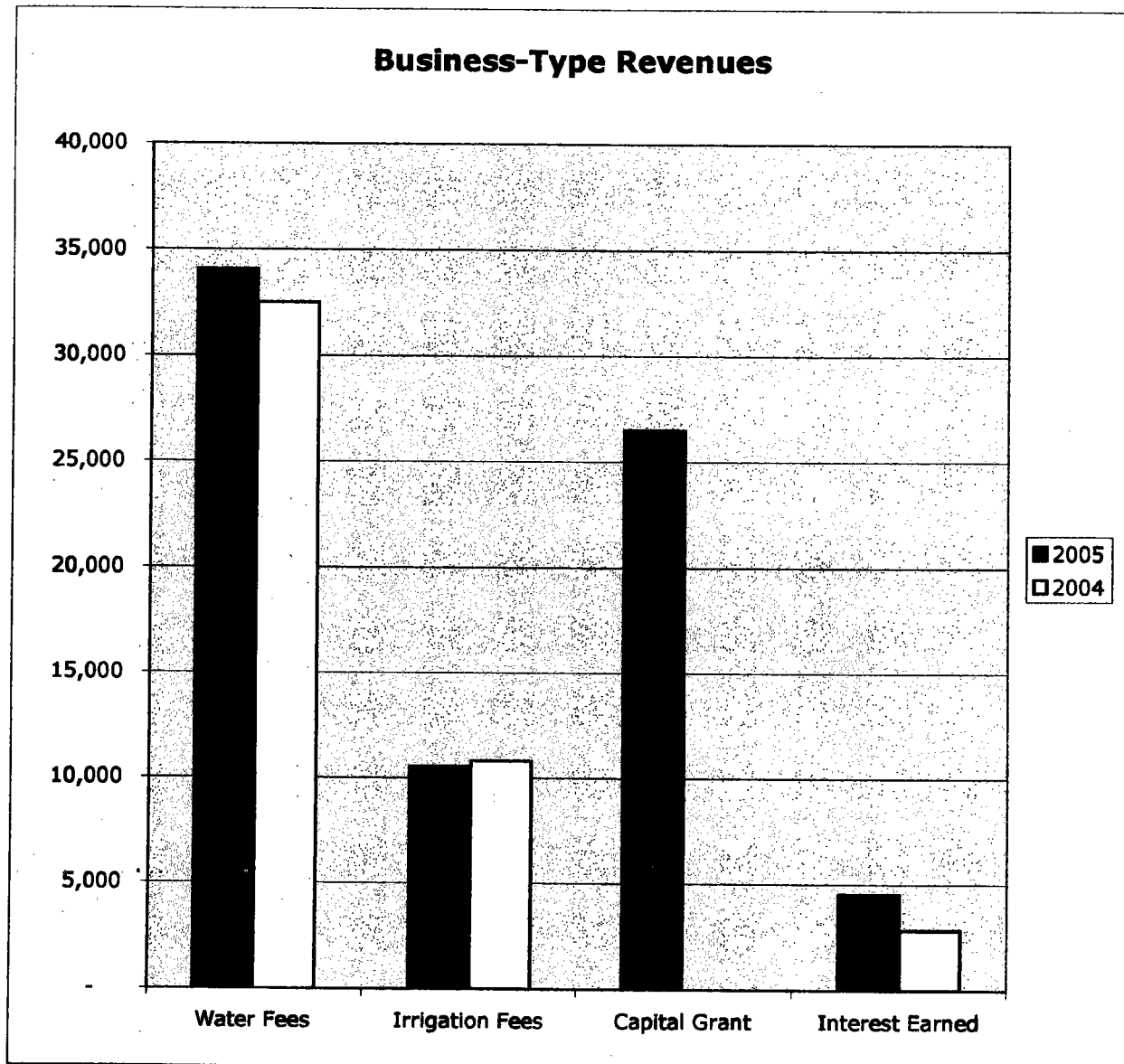
	2005	2004
General Government	38,470	39,397
Public Safety	3,455	3,430
Highways & Streets	69,174	65,642
Parks & Recreation	9,319	9,251
Interest on Debt	2,195	2,088
<b>Total Expenditures</b>	<b>122,613</b>	<b>119,808</b>

**Governmental Expenditures**



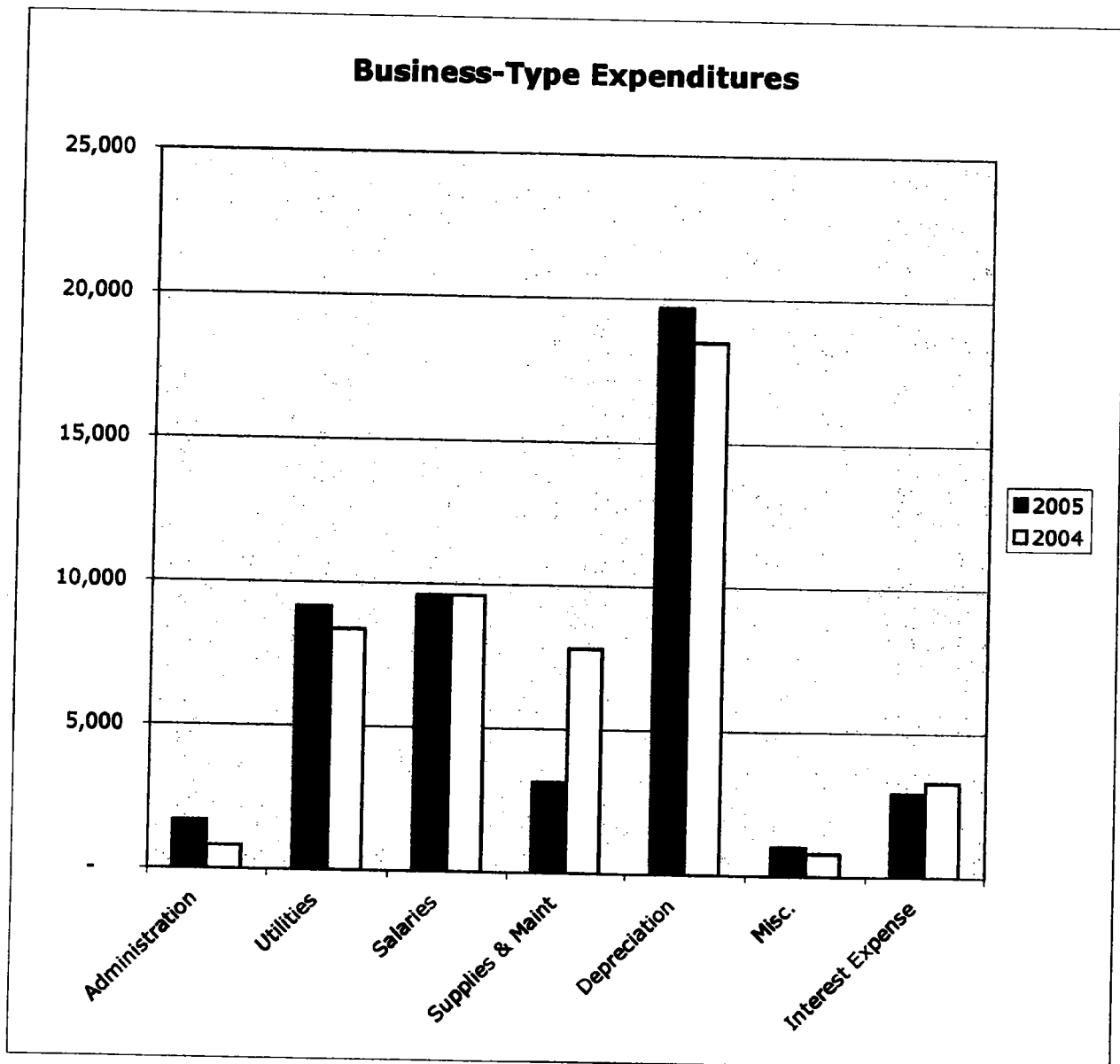
**Town of Bicknell**  
**Business-Type Revenues**  
**For The Fiscal Years Ending June 30, 2005 and 2004**

	<u>2005</u>	<u>2004</u>
Water Fees	34,056	32,498
Irrigation Fees	10,520	10,804
Capital Grant	26,500	
Interest Earned	<u>4,548</u>	<u>2,846</u>
 Total Revenues	 <u><u>75,624</u></u>	 <u><u>46,148</u></u>



**Town of Bicknell**  
**Business Type Expenditures**  
**For The Fiscal Years Ending June 30, 2005 and 2004**

	2005	2004
Administration	1,685	820
Utilities	9,161	8,382
Salaries	9,600	9,600
Supplies & Maint	3,145	7,809
Depreciation	19,689	18,489
Misc.	1,009	794
Interest Expense	2,912	3,296
<b>Total Expenditures</b>	<b>47,201</b>	<b>49,190</b>



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# **BASIC FINANCIAL STATEMENTS**

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**BICKNELL TOWN  
STATEMENT OF NET ASSETS**

**June 30, 2005**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	149,646	199,787	349,433
Accounts Receivable (Net)	2,314	15,511	17,825
Due From Other Government Units	5,248	-	5,248
<b>Total Current Assets</b>	<b>157,208</b>	<b>215,298</b>	<b>372,506</b>
Noncurrent Assets:			
Restricted Cash and Cash Equivalents	-	13,200	13,200
Capital Assets (Net of Accumulated Depreciation):			
Land	44,530	-	44,530
Water Shares	-	3,400	3,400
Buildings	159,039	34,754	193,793
Improvements Other Than Buildings	9,000	397,886	406,886
Equipment	12,590	-	12,590
Infrastructure	213,000	-	213,000
<b>Total Noncurrent Assets</b>	<b>438,159</b>	<b>449,240</b>	<b>887,399</b>
<b>TOTAL ASSETS</b>	<b>595,367</b>	<b>664,538</b>	<b>1,259,905</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Notes Payable - Due Within One Year	-	2,400	2,400
Revenue Bonds Payable - Due Within One Year	4,000	7,748	11,748
<b>Total Current Liabilities</b>	<b>4,000</b>	<b>10,148</b>	<b>14,148</b>
Noncurrent Liabilities:			
Notes Obligations - Due More Than One Year	-	3,200	3,200
Revenue Bonds Payable - Due More Than One Year	79,793	44,038	123,831
<b>Total Noncurrent Liabilities</b>	<b>79,793</b>	<b>47,238</b>	<b>127,031</b>
<b>TOTAL LIABILITIES</b>	<b>83,793</b>	<b>57,386</b>	<b>141,179</b>
<b>NET ASSETS</b>			
Investment in Capital Assets, Net of Debt	354,366	378,654	733,020
Restricted For:			
Bond Retirement	-	13,200	13,200
Class C Road	73,000	-	73,000
Unrestricted	84,208	215,298	299,506
<b>TOTAL NET ASSETS</b>	<b>511,574</b>	<b>607,152</b>	<b>1,118,726</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>595,367</b>	<b>664,538</b>	<b>1,259,905</b>

See accompanying notes and accountant's report.

**BICKNELL TOWN  
STATEMENT OF ACTIVITIES**

For The Fiscal Year Ended June 30, 2005

Function/Programs	Program Revenues			Net (Expense) Revenues and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	38,470	6,178	-	-	(32,292)	-	(32,292)
Public Safety	3,455	-	849	-	(2,606)	-	(2,606)
Highways and Public Improvements	69,174	-	25,437	-	(43,737)	-	(43,737)
Culture and Recreation	9,319	2,500	-	-	(6,819)	-	(6,819)
Interest on Long-Term Debt	2,195	-	-	-	(2,195)	(2,912)	(5,107)
Total Governmental Activities	122,613	8,678	26,286	-	(87,649)	(2,912)	(90,561)
Business-Type Activities:							
Water Fund	33,843	34,056	-	-	-	213	213
Irrigation Fund	10,446	10,520	-	-	-	74	74
	44,289	44,576	-	-	-	287	287
Total Primary Government	166,902	53,254	26,286	-	(87,649)	(2,625)	(90,274)
General Revenues:							
Property Taxes					3,398	-	3,398
Fee-In-Lieu of Property Taxes					1,700	-	1,700
Sales Taxes					51,411	-	51,411
Storm Drain Assessments					6,773	-	6,773
Grant Proceeds					-	26,500	26,500
Unrestricted Investment Earnings					3,033	4,548	7,581
Total General Revenues and Transfers					66,315	31,048	97,363
Change in Net Assets					(21,334)	28,423	7,089
Net Assets - Beginning					532,908	578,729	1,111,637
Net Assets - Ending					511,574	607,152	1,118,726

See accompanying notes and accountant's report.

**BICKNELL TOWN  
BALANCE SHEET  
GOVERNMENTAL FUNDS**

**For The Fiscal Year Ended June 30, 2005**

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	149,646
Accounts Receivable (Net)	2,314
Due From Other Government Units	<u>5,248</u>
<b>TOTAL ASSETS</b>	<u><u>157,208</u></u>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities	<u>-</u>
Fund Balances:	
Reserved For:	
Class "C" Road	73,000
Unreserved, Reported In:	
General Fund	<u>84,208</u>
<b>Total Fund Balance</b>	<u><u>157,208</u></u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>157,208</u></u>

See accompanying notes and accountant's report.

**BICKNELL TOWN**  
**BALANCE SHEET RECONCILIATION TO STATEMENT OF NET ASSETS**

**June 30, 2005**

Total Fund Balances - Governmental Fund Types	157,208
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Land	44,530
Buildings	159,039
Improvements	9,000
Equipment	12,590
Infrastructure	<u>213,000</u>

Total (Net of Depreciation)	438,159
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:

Wastewater Assessment Bond	<u>(83,793)</u>
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Net Assets of Government Activities	<u><u>511,574</u></u>
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**BICKNELL TOWN**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

**For The Fiscal Year Ended June 30, 2005**

	<u>General Fund</u>
<b>Revenues:</b>	
Taxes	56,509
Licenses and Permits	4,876
Intergovernmental Revenue	26,286
Charges for Services	9,273
Interest	3,033
Miscellaneous Revenues	<u>1,302</u>
 Total Revenues	 <u>101,279</u>
<b>Expenditures:</b>	
Current:	
General Government	36,814
Public Safety	991
Highways and Public Improvements	41,034
Culture and Recreation	6,652
Debt Service:	
Principal	4,000
Interest	<u>2,195</u>
 Total Expenditures	 <u>91,686</u>
 Net Change In Fund Balance	 9,593
 Fund Balance - Beginning	 <u>147,615</u>
 Fund Balance - Ending	 <u><u>157,208</u></u>

See accompanying notes and accountant's report.

**BICKNELL TOWN**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

**For The Fiscal Year Ended June 30, 2005**

Amounts reported for governmental activities in the statement of activities are different because:

Net Changes in Fund Balances - Total Governmental Funds	9,593
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Depreciation	(34,927)
--------------	----------

The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal Payment on Bonds	<u>4,000</u>
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Changes In Net Assets of Governmental Activities	<u><u>(21,334)</u></u>
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**BICKNELL TOWN  
STATEMENT OF NET ASSETS  
PROPRIETARY FUND**

June 30, 2005

	Business-Type Activity Enterprise Fund		
	Water Fund	Irrigation Fund	Totals
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	183,343	16,444	199,787
Accounts Receivable	9,077	6,434	15,511
Total Current Assets	192,420	22,878	215,298
Noncurrent Assets:			
Investments - Restricted:			
Bond Retirement	13,200	-	13,200
Capital Assets: (Net of Accumulated Depreciation)			
Water Stock	1,000	2,400	3,400
Buildings	34,754	-	34,754
Improvements Other Than Buildings	375,955	21,931	397,886
Total Noncurrent Assets	424,909	24,331	449,240
TOTAL ASSETS	617,329	47,209	664,538
<b>LIABILITIES:</b>			
Current Liabilities:			
Bonds - Due Within One Year	7,748	2,400	10,148
Noncurrent Liabilities:			
Bonds - Due More Than One Year	44,038	3,200	47,238
TOTAL LIABILITIES	51,786	5,600	57,386
<b>NET ASSETS:</b>			
Invested in Capital Assets, Net of Related Debt	359,923	18,731	378,654
Restricted for Bonded Retirement	13,200	-	13,200
Unrestricted	192,420	22,878	215,298
TOTAL NET ASSETS	565,543	41,609	607,152
TOTAL LIABILITIES AND NET ASSETS	617,329	47,209	664,538

See accompanying notes and accountant's report.



**BICKNELL TOWN**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUND**

June 30, 2005

	Business-Type Activity Enterprise Fund		
	Water Fund	Irrigation Fund	Totals
<b>Operating Revenues:</b>			
Charges for Sales and Services:			
Water Fees	34,056	-	34,056
Irrigation Fees	-	10,520	10,520
Total Operating Revenues	34,056	10,520	44,576
<b>Operating Expenses:</b>			
Administration	1,685	-	1,685
Utilities	3,979	5,182	9,161
Salaries	7,200	2,400	9,600
Equipment Maintenance	1,410	1,735	3,145
Depreciation	18,775	914	19,689
Miscellaneous	794	215	1,009
Total Operating Expenses	33,843	10,446	44,289
Operating Income	213	74	287
<b>Nonoperating Revenues (Expenses):</b>			
Investment Earnings	3,790	758	4,548
State Grant	26,500		26,500
Interest Expense	(2,912)	-	(2,912)
Total Nonoperating Revenues (Expenses)	27,378	758	28,136
Change in Net Assets	27,591	832	28,423
Total Net Assets - Beginning	537,952	40,777	578,729
Total Net Assets - Ending	565,543	41,609	607,152

See accompanying notes and accountant's report.

**BICKNELL TOWN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND**

June 30, 2005

	Business-Type Activity Enterprise Fund		
	Water Fund	Irrigation Fund	Totals
<b>Cash Flows From Operating Activities:</b>			
Receipts From Customers	34,993	10,618	45,611
Payments to Suppliers	(7,868)	(7,132)	(15,000)
Payments to Employees	(7,200)	(2,400)	(9,600)
Net Cash Provided by Operating Activities	19,925	1,086	21,011
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Principal Paid on Long-Term Debt	(10,096)	-	(10,096)
Interest Paid on Long-Term Debt	(2,912)	-	(2,912)
Principal Payment on Notes Payable	-	(2,400)	(2,400)
Capital Outlays	(35,954)	-	(35,954)
Grant Proceeds	26,500	-	26,500
Net Cash Provided (Used) by Capital and Related Financing Activities	(22,462)	(2,400)	(24,862)
<b>Cash Flows from Investing Activities:</b>			
Interest Received	3,790	758	4,548
Net Cash Provided (Used) by Investing Activities	3,790	758	4,548
Net Increase (Decrease) in Cash and Cash Equivalents	1,253	(556)	697
Cash and Cash Equivalents - Beginning	195,290	17,000	212,290
Cash and Cash Equivalents - Ending	196,543	16,444	212,987
<b>Reconciliation of Operating Income to Net Cash Provided (Used) By Operating Activities:</b>			
Operating Income	213	74	287
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) By Operating Activities:			
Depreciation	18,775	914	19,689
Increase (Decrease) in Operating Assets:			
Accounts Receivable	937	98	1,035
Total Adjustments	19,712	1,012	20,724
Net Cash Provided (Used) by Operating Activities	19,925	1,086	21,011

See accompanying notes and accountant's report.

**BICKNELL TOWN**  
**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2005**

**NOTE 1 - SUMMARY OF HISTORY AND SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Bicknell Town conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies:

The accompanying basic financial statements present the financial position of various fund types and the results of operations of the various fund types. The basic financial statements are presented for the year ended June 30, 2005.

The following is a summary of the more significant policies:

**A. Reporting Entity**

Bicknell Town is a municipal corporation in Wayne County, Utah. It is governed by an elected Mayor and a four member board. As required by generally accepted accounting principles, these financial statements are of the primary government, the Town of Bicknell, the reporting entity. The Town has no component units.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., statement of net assets and statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**BICKNELL TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2005**

**NOTE 1 - SUMMARY OF HISTORY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town of Bicknell considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Government reports the following Proprietary Funds:

The Utility Funds accounts for the activities of the City water and irrigation operations. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and irrigation funds are charges to customers for services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**BICKNELL TOWN  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2005**

**NOTE 1 - SUMMARY OF HISTORY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. Assets, Liabilities and Net Assets or Equity**

**Deposits and Investments:**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

Investments for the government, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

**Capital Assets:**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

**BICKNELL TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2005**

**NOTE 1 - SUMMARY OF HISTORY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Water and Irrigation System	40 Years
Buildings	30 Years
Equipment	5 - 7 Years

**Long-Term Obligations:**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

In the fund financial statement, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, if any, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Fund Equity:**

In the fund financial statements, governmental funds report reservations of fund balance for amounts not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designation of fund balance represent tentative management plans that are subject to change.

**E. Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**F. Budgets and Budgetary Accounting:**

The governing body of the entity shall establish the time and place of the public hearing to consider the adoption of the budget and shall publish notice of the hearing at least seven days prior to the hearing (no time period given for towns) in at least one issue of the newspaper of general circulation published within the County in which the entity is located. If no such newspaper is published, the required notice may be posted in three public places within the entity's jurisdiction.

**BICKNELL TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2005**

**NOTE 1 - SUMMARY OF HISTORY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The tentative budget must be made available to the public for inspection for a number of days, as provided by law, prior to the budget hearing.

1. On or before the first regularly scheduled meeting of the Town Board in the month of May, the mayor prepares a tentative budget for the next budget year.
2. After a public notice has been published, a public hearing is then held on the adoption of the budget.
3. After the public hearing, the Town Board makes final adjustments to the tentative budget.
4. On or before June 22, the Town Board adopts the budget by resolution or ordinance and sets the tax rate for taxes.
5. The budget officer may transfer unexpended budgeted amounts within departments.
6. The Town Board may transfer unexpended budgeted amounts from one department in a fund to another department in the same fund by resolution.
7. The total budget appropriation of any governmental fund may be increased only after a public hearing has been held and followed by resolution of the Town Board.
8. Proprietary Fund budgets may be increased without a public hearing by resolution of the Town Board.
9. Budgets for the General fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).

The appropriated budget is prepared by fund, function and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the governing council. The legal level of budgetary control is the department level.

The Fiscal Procedures Act for Utah Towns require local municipalities to restrict expenditures to authorized departmental budgets. The combined statement of revenues, expenditures and changes in fund balance - budget and actual identifies the departments and funds which have overexpended budgeted amounts if any and, therefore, do not comply with appropriate fiscal procedures.

**BICKNELL TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2005**

**NOTE 1 - SUMMARY OF HISTORY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Property Tax Calendar:**

- |             |  |
|-------------|--|
| January 1   | Lien Date - All property appraised based upon situs and status as of this date (real and personal).  |
| March 1     | Calendar year taxing entities must inform the County of the date, time and place of the budget hearing for the next fiscal year for inclusion with tax notice.   |
| June 22     | All taxing entities to adopt tentative budgets and proposed tax rates and report them to the county auditor.   |
| July 22     | County auditor to prepare and mail Notice of Valuation and Tax Changes to all real property owners, including centrally assessed property owners or in the event that Notices of Valuation and Tax Changes are not required, the county auditor is to compute taxes and the county treasurer is to mail tax notices. |
| September 1 | State Tax Commission approves tax rates.   |
| November 1  | County auditor is to deliver the equalized assessment roll to the county treasurer with affidavit.   |
| November 1  | County auditor to charge the county treasurer to account for all taxes levied.   |
| November 1  | County treasurer to mail tax notices. Tax notices for calendar year entities include notice of budget hearings.  |
| November 30 | Taxes on real property become delinquent.  |

**NOTE 2 - DEPOSITS AND INVESTMENTS**

Cash and investments as of June 30, 2005, consist of the following:

	<u>Fair Value</u>
Demand Deposits - Checking	31,337
Investment - PTIF	<u>331,296</u>
Total Cash and Investments	<u><u>362,633</u></u>



**BICKNELL TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2005

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

Cash and investments listed above are classified in the accompanying government-wide statement of net assets as follows:

Governmental Activities	149,646
Business-Type Activities - Unrestricted	199,787
Business-Type Activities - Restricted	<u>13,200</u>
Total Cash and Cash Equivalents	<u><u>362,633</u></u>

The Utah Money Management Act (UMMA) established specific requirements regarding deposits of public funds by public treasures. UMMA requires that Town funds be deposited with a qualified depository which includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements specified in UMMA Section 51, Chapter 7. UMMA provides the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and also defines capital requirements which an Institution must maintain to be eligible to accept public funds. UMMA lists the criteria for investments and specifies the assets which are eligible to be invest in, and for some investments, the amount of time to maturity.

UMMA enables the State Treasurer to operate the Public Treasurer's Investment Pool (PTIF). PTIF is managed by the Utah State Treasurer's investment staff and comes under the regulatory authority of the Utah Money Management Council. This council is comprised of a select group of financial professionals from units of local and state government and financial institutions doing business in the state. PTIF operations and portfolio composition is monitored at least semi-annually by the Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations. Deposits in PTIF are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments which are recorded on an amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by PTIF. The fair value of the investment pool is approximately equal to the value of the pool shares.

**Deposit and Investment Risk:**

The Town maintains no investment policy containing any specific provisions intended to limit the Town's exposure to interest rate risk, credit risk and concentration of credit risk other than that imposed by UMMA. The Town's compliance with the provisions of UMMA addressed each of these risks.

**BICKNELL TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2005

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**Interest Rate Risk:**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. All deposits and investment of the Town are available immediately.

**Credit Risk:**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits. All of the Town's demand deposits are covered by FDIC insurance.

Custodial credit risk for investment is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. This risk is addressed through the policy of investing excess monies only in PTIF.

**Concentration of Credit Risk:**

Concentration of credit risk the risk of loss attributed to the magnitude of a government's investments in a single issuer. PTIF falls under the constraints of UMMA in limiting concentrations of investments.

**NOTE 3 - BOND RESERVES**

The Town's two bond issues have reserve requirements which the Town must meet. The 1979 bond requires \$700.80 per year for 10 years. The 1993 bond requires \$343.23 per year for 10 years. The amount reserved at June 30, 2005, is \$13,200, which is in excess of the required funding.

**NOTE 4 - WATER SHARES**

The Utility Fund has water shares which are shown on the balance sheet at a cost of \$3,400.00. The current value of the water shares is in excess of the cost.

**BICKNELL TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2005

**NOTE 5 - CAPITAL ASSETS**

Capital assets activity for the fiscal year ended June 30, 2005, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated:				
Land	21,250	-	-	21,250
Infrastructure	23,280	-	-	23,280
 Total Capital Assets Not Being Depreciated	 44,530	 -	 -	 44,530
Capital Assets Being Depreciated:				
Buildings	201,062	-	-	201,062
Improvements Other Than Bldgs	20,000	-	-	20,000
Machinery and Equipment	62,750	-	-	62,750
Infrastructure	532,500	-	-	532,500
 Total Capital Assets Being Depreciated	 816,312	 -	 -	 816,312
Less Accumulated Depreciation For:				
Buildings	36,996	5,027	-	42,023
Improvements Other Than Bldgs	10,500	500	-	11,000
Machinery and Equipment	47,385	2,775	-	50,160
Infrastructure	292,875	26,625	-	319,500
 Total Accum. Depreciation	 387,756	 34,927	 -	 422,683
 Total Capital Assets Being Depreciated (Net)	 428,556	 (34,927)	 -	 393,629
 Governmental Activities Capital Assets, Net	 473,086	 (34,927)	 -	 438,159

**BICKNELL TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2005

**NOTE 5 - CAPITAL ASSETS (CONTINUED)**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Business Type Activities:</b>				
Capital Assets Not Being Depreciated:				
Water Stock	3,400	-	-	3,400
Total Capital Assets Not Being Depreciated	3,400	-	-	3,400
Capital Assets Being Depreciated:				
Equipment	16,480	-	-	16,480
Buildings	-	35,954	-	35,954
Utility Systems	739,555	-	-	739,555
Total Capital Assets Being Depreciated	756,035	35,954	-	791,989
Less Accumulated Depreciation For:				
Equipment	16,480	-	-	16,480
Buildings	-	1,200	-	1,200
Utility Systems	323,180	18,489	-	341,669
Total Accum. Depreciation	339,660	19,689	-	359,349
Total Capital Assets Being Depreciated (Net)	416,375	16,265	-	432,640
Business Type Activities Capital Assets, Net	419,775	16,265	-	436,040
Total Capital Assets	<u>892,861</u>	<u>(18,662)</u>	<u>-</u>	<u>874,199</u>

**BICKNELL TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2005**

**NOTE 5 - CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions of the Primary Government as follows:

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
General Government	1,656	-	1,656
Public Safety	2,464	-	2,464
Public Health	-	19,689	19,689
Highways and Public Improvements	28,140	-	28,140
Culture and Recreation	2,667	-	2,667
	<u>34,927</u>	<u>19,689</u>	<u>54,616</u>
Total Depreciation Expense	<u>34,927</u>	<u>19,689</u>	<u>54,616</u>

**NOTE 6 - LONG-TERM DEBT**

**Governmental Fund**

**1995 CIB Revenue Bond:**

In April of 1995, Bicknell Town obtained a grant from the CIB for \$269,000 and issued a Wastewater Assessment Bond, Series 1995, in the amount of \$120,000 for the purpose of constructing a flood and drainage system for the Town. Terms of the assessment bond require yearly payments over 25 years including interest at 2.5 percent. Amortization schedule is as follows:

<u>October 1st</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	4,000	2,100	6,100
2006	4,000	2,000	6,000
2007	5,000	1,900	6,900
2008	5,000	1,775	6,775
2009	5,000	1,650	6,650
2010/2014	25,000	6,375	31,375
2015/2019	30,000	3,000	33,000
2020/2024	5,793	150	5,943
	<u>83,793</u>	<u>18,950</u>	<u>102,743</u>

The following is a schedule of changes in governmental long-term debt at June 30, 2005:

	<u>Balance June 30, 2004</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance June 30, 2005</u>
Revenue Bonds Payable	<u>87,793</u>	<u>-</u>	<u>4,000</u>	<u>83,793</u>

**BICKNELL TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2005

**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

**Bonds Payable:**

Bicknell Town presently has two bond issues:

- 1) Water Revenue Bond, dated 1979, is to be paid from water revenues. The monthly payment is \$584.00. The bond carries an interest rate of 5%. The balance at June 30, 2005, was \$48,913.
- 2) Water Revenue Bond, dated 1992, is to be paid from water revenues. The required monthly payment is \$286.00. However, the Town is paying \$500.00 per month. The bond carries an interest rate of 5.5%. The balance at June 30, 2005, was \$2,873.

**Note Payable:**

On April 8, 1988 the Town of Bicknell arranged for the financing of an irrigation system in the Town by obtaining a loan from the Utah Board of Water Resources. This loan was arranged through the Fremont Irrigation Company. The loan is an interest free loan with yearly payments of \$2,400.00 which began on December 1, 1989. The amount of the loan at June 30, 2005, was \$5,600.

Long-Term Debt for the Utility Fund consists of the following:

Bonds Payable - F. H. A.	51,786
Note Payable - Board of Water Resources	<u>5,600</u>
Total	<u><u>57,386</u></u>

The following is a summary of utility long-term debt to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005/2006	10,148	2,888	13,036
2006/2007	7,318	2,449	9,767
2007/2008	5,969	2,272	8,241
2008/2009	5,434	2,085	7,519
2009/2010	5,712		
2011/2015	<u>22,805</u>	<u>7,287</u>	<u>30,092</u>
	<u><u>57,386</u></u>	<u><u>16,981</u></u>	<u><u>68,655</u></u>

**BICKNELL TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2005

**NOTE 6 - LONG-TERM DEBT - UTILITY FUND**

The following is a schedule of changes in long-term debt for the Utility Fund at June 30, 2005:

	Date of Issue	Interest Rate	Total Issued	Outstanding June 30, 2004	Current Year Changes		Outstanding June 30, 2005
					Issued	Matured	
Bonds Payable:							
FHA Water Revenue Bonds	1979	5.00%	120,000	53,340	-	4,427	48,913
FHA Water Revenue Bonds	1992	5.50%	55,500	8,542	-	5,669	2,873
Note Payable:							
Board of Water Resources	1995	0.00%	44,000	8,000	-	2,400	5,600
Total			219,500	69,882	-	12,496	57,386

**BICKNELL TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2005**

**NOTE 7 - CLASS C ROADS**

Bicknell Town receives Class C road money from the State of Utah for road construction and maintenance. The unexpended portion of this money is shown as a reserved fund balance in the financial statements. The following a schedule of changes in Class C Roads:

Fund Balance - Beginning of Year		78,000
Receipts:		
State Allotments	25,436	
Interest	<u>457</u>	
Total Receipts		25,893
Disbursements:		
Materials	27,328	
Maintenance	2,553	
Fuel	<u>1,012</u>	
Total Disbursements		<u>30,893</u>
Fund Balance - End of Year		<u>73,000</u>

**NOTE 8 - RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in the Utah Local Government Trust Insurance, a self-funded risk financing pool administered by the Utah Local Government Trust. Through the Trust, the Town maintains general liability, errors and omissions, flood, newly acquired property, builders risk, unscheduled locations, and crime.

The Town is insured for comprehensive general liability and automobile liability for \$2,000,000 combined single limit per occurrence and \$2,000,000 aggregate for each policy period. The Town has a \$250 deductible for each occurrence for general liability and automobile liability, bodily injury and property damage. The coverage on the buildings and personal property is subject to a \$1,000 deductible per occurrence. The coverage's are updated annually according to property surveys supplied by the Town to the insurance company.

The Trust does not provide coverage for all risks and hazards, however, the Town has obtained coverage for these risks through other commercial carriers for employee accidental death and dismemberment, workers compensation, and surety bond coverage.

Claims have not exceeded coverage in any of the last three calendar years.



**BICKNELL TOWN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2005**

**NOTE 9 - STATE RETIREMENT PLANS**

**Local Governmental - Cost Sharing:**

**Plan Description:**

Bicknell Town contributes to the Local Governmental Noncontributory Retirement System cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (Systems). Utah Retirement Systems provide refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 (Chapter 49) as amended, which also establishes the Utah State Retirement Office (Office) for the administration of the Utah Retirement Systems and plans. Chapter 49 places the Systems, the Office and related plans and programs under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that included financial statements and required supplementary information for the Systems and Plans. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

**Funding Policy:**

Bicknell Town is required to contribute a percent of covered salary to the following system; 11.09% to the Noncontributory System. The contribution rates are the actuarially determined rates and are approved by the Board as authorized by Chapter 49.

Bicknell Town contributions to the various systems for the years ending June 30, 2005, 2004 and 2003 respectively were; for the Noncontributory System, \$2,595.12, \$2,251.08 and \$2,033.52. The contributions were equal to the required contributions for each year.

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is used to assist in formatting, for easier reading)

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**REQUIRED SUPPLEMENTARY  
INFORMATION  
"UNAUDITED"**

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**BICKNELL TOWN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

**For The Fiscal Year Ended June 30, 2005**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis) (See Note A)	<u>Variance With</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1, 2004	<u>147,615</u>	<u>147,615</u>	<u>147,615</u>	<u>-</u>
Resources (Inflows):				
Taxes:				
General Property Taxes	<u>3,200</u>	<u>3,200</u>	<u>3,398</u>	<u>198</u>
General Sales and Use Taxes	<u>41,000</u>	<u>41,000</u>	<u>51,411</u>	<u>10,411</u>
Fee-In-Lieu	<u>2,000</u>	<u>2,000</u>	<u>1,700</u>	<u>(300)</u>
Total Taxes	<u>46,200</u>	<u>46,200</u>	<u>56,509</u>	<u>10,309</u>
Licenses and Permits	<u>4,000</u>	<u>4,000</u>	<u>4,876</u>	<u>876</u>
Intergovernmental Revenue:				
Class C Road	<u>33,000</u>	<u>33,000</u>	<u>25,437</u>	<u>(7,563)</u>
State Liquor Allotment	<u>500</u>	<u>500</u>	<u>849</u>	<u>349</u>
Total Intergovernmental Revenue	<u>33,500</u>	<u>33,500</u>	<u>26,286</u>	<u>(7,214)</u>
Charges for Services:				
Cemetery	<u>1,800</u>	<u>1,800</u>	<u>2,500</u>	<u>700</u>
Storm Drain Assessment	<u>6,500</u>	<u>6,500</u>	<u>6,773</u>	<u>273</u>
Total Charges for Services	<u>8,300</u>	<u>8,300</u>	<u>9,273</u>	<u>973</u>
Miscellaneous Revenue:				
Interest	<u>2,300</u>	<u>2,300</u>	<u>3,033</u>	<u>733</u>
Rents and Concessions	<u>2,000</u>	<u>2,000</u>	<u>1,020</u>	<u>(980)</u>
Miscellaneous	<u>1,600</u>	<u>1,600</u>	<u>282</u>	<u>(1,318)</u>
Use of Fund Balance	<u>15,200</u>	<u>15,200</u>	<u>-</u>	<u>(15,200)</u>
Total Miscellaneous Revenue	<u>21,100</u>	<u>21,100</u>	<u>4,335</u>	<u>(16,765)</u>
Amounts Available for Appropriation	<u>260,715</u>	<u>260,715</u>	<u>248,894</u>	<u>(11,821)</u>

**BICKNELL TOWN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

**For The Fiscal Year Ended June 30, 2005**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u> <u>(See Note A)</u>	<u>Variance With</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Charges to Appropriations (Outflows):				
General Government:				
Administration	23,500	22,500	22,432	68
Professional Services	4,200	4,730	4,727	3
Total General Government	<u>27,700</u>	<u>27,230</u>	<u>27,159</u>	<u>71</u>
Public Safety:				
Fire Department	<u>1,100</u>	<u>1,100</u>	<u>991</u>	<u>109</u>
Highway and Public Improvements:				
Class C Roads	38,600	38,600	30,893	7,707
Repairs and Maintenance	5,000	5,840	5,840	-
Street Lights	<u>4,400</u>	<u>4,400</u>	<u>4,301</u>	<u>99</u>
Total Highways and Public Improvements	<u>48,000</u>	<u>48,840</u>	<u>41,034</u>	<u>7,806</u>
Culture and Recreation:				
Cemetery	4,000	3,500	3,427	73
Parks	<u>4,000</u>	<u>3,500</u>	<u>3,225</u>	<u>275</u>
Total Culture and Recreation	<u>8,000</u>	<u>7,000</u>	<u>6,652</u>	<u>348</u>
Nondepartmental:				
Insurance	4,900	4,900	4,900	-
Capital Outlay	15,000	15,000	2,126	12,874
Miscellaneous	<u>2,000</u>	<u>2,630</u>	<u>2,629</u>	<u>1</u>
Total Nondepartmental	<u>21,900</u>	<u>22,530</u>	<u>9,655</u>	<u>12,875</u>
Debt Service:				
Bond Payment	<u>6,400</u>	<u>6,400</u>	<u>6,195</u>	<u>205</u>
Total Charges to Appropriations	<u>113,100</u>	<u>113,100</u>	<u>91,686</u>	<u>21,414</u>
Budgetary Fund Balance - June 30, 2005	<u>147,615</u>	<u>147,615</u>	<u>157,208</u>	<u>9,593</u>

**BICKNELL TOWN  
NOTE A  
BUDGETARY COMPARISON SCHEDULE  
BUDGET-TO-GAAP RECONCILIATION**

**For The Fiscal Year Ended June 30, 2005**

	<u>General Fund</u>
<b>Sources/Inflows and Resources:</b>	
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedules.	248,894
<b>Differences - Budget to GAAP:</b>	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	<u>(147,615)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u><u>101,279</u></u>
<b>Uses/Outflows of Resources:</b>	
Actual amounts (budgetary Basis "total charges to appropriations" from the budgetary comparison schedules.	91,686
<b>Differences - Budget to GAAP:</b>	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u><u>91,686</u></u>